

# Running an Aframax pool

Last September, Reederei Nord and Synergy Group, on behalf of Nissen Kaiun, officially launched N2Tankers, a new Aframax tanker pool.

The combined fleet pooled under N2Tankers consists of 13 Aframaxes built between 2007-2018 in Japanese yards - Universal Shipbuilding Corp, Sumitomo Heavy Industries Marine & Engineering, Tsuneishi Holding Corp, Sumitomo Heavy Industries, and Tsuneishi Shipbuilding Co.

Singapore-based shipmanager Synergy Group was tasked with taking care of the commercial management of N2Tankers for vessels deployed East of the Suez Canal and also provides technical management services for Nissen Kaiun’s vessels in the joint venture on a global basis.

Tanker Operator spoke with Capt Madhu Vadakkepat, Director, N2Tankers about the commercial advantages of running a pool.

Operating somewhat differently to other pools, the company manages the vessels both commercially and technically.

Capt Vadakkepat explained the reasoning behind this by saying that the shipping industry’s highly competitive, fragmented and non-transparent business environment along

with ever increasing international regulations, result in companies’ looking for an operating cost reduction.

“By having a tanker operated both commercially and technically by one team gives the confidence to the charterer/customer that the responsibility of operations lies at one office/team and communications by way of clearing the vessel for the trade becomes seamless as opposed to the usually seen delays in fixtures, due to different entities handling isolated responsibilities, causing delays and lack of transparency, as a whole to tanker operations,” he said.

### Size matters

Turning to commercial operations, he said that the use of size is quite effective. The ships, which are in a pooling agreement, have access to synergies, such as unified characteristics and quality of tonnage, making customers look at this as the preferred choice when arranging contracts.

“Synergy Marine Commercial Management has a proven track record of generating value

for vessel owners and partners through its creative scheduling solutions, bespoke IT systems and motivated professional employees at all levels to guarantee top quality service to our customers,” Capt Vadakkepat said.

“There is in fact much more to come through the use of our customised software and algorithms. We have partnered with Alpha Ori Technologies, which is one of the pioneers in transforming the multi-trillion dollar maritime industry from analog, disjointed systems into smart digital enterprises, by harnessing the power of data collected through Internet of Things, moving and making it usable via Cloud and applying Machine Learning & Artificial Intelligence to it,” he added.

However, to benefit from a predicted upward trend in a particular region, the vessel needs to be in that region and not some other corner of the world. The shipping market is cyclical in nature and freight rates generally tend to be highly volatile, which is where a sizeable and well-run pool helps by evening out and providing an excellent service to the customer.

He also said that the optimum number of ships, N2 would like to commercially control is between 20 and 30, explaining that at present, the fleet purely consists of Japanese built Aframaxes. Other size ranges will be considered but not in the immediate future, Capt Vadakkepat explained.

The company has a well established chartering desk and Capt Vadakkepat also explained that the pool is operated from two offices - one in Singapore, which handles the vessels East of Suez and the other in Amsterdam, which caters for vessels West of Suez with the main routes being MEG to Eastern destinations and Indonesia to Australasia.

He stressed that the venture is not a pool for making revenue but for owners joining together to work the chartering functions themselves. Therefore N2Tanker is essentially an owner’s venture enabling them to work together.

“There is no fee structure, expenses are shared by the owners, ie, it is a cost base model only,” he explained in conclusion.



Capt Madhu Vadakkepat